

**Introduced by Committee on Transportation (Senators Murray  
(Chair), Figueroa, Florez, Perata, Scott, Soto, and Torlakson)**

February 19, 2003

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An act to amend Section 10753.7 of the Revenue and Taxation Code,  
relating to vehicle license fees.

LEGISLATIVE COUNSEL'S DIGEST

SB 314, as introduced, Committee on Transportation. Vehicle  
license fee: adjustment.

The Vehicle License Fee (VLF) Law establishes, in lieu of any ad  
valorem property tax upon vehicles, an annual license fee for any  
vehicle subject to registration in this state in the amount of 2% of the  
market value of that vehicle, as specified. For the purpose of computing  
the vehicle license fee, the VLF Law requires the Department of Motor  
Vehicles to determine the market value of a vehicle, as specified, upon  
the first sale of a new vehicle to a consumer, upon each sale of a used  
vehicle to a consumer, and on an annual basis to account for  
depreciation in the vehicle's value. Existing law provides that, if the  
department adjusts a vehicle's market value before a vehicle's existing  
vehicle license fee expires, that adjustment will not be reflected until the  
next annual vehicle license fee becomes due.

This bill would delete an obsolete cross-reference from these  
provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 10753.7 of the Revenue and Taxation  
2 Code is amended to read:

3 10753.7. (a) Upon the sale or transfer of ownership of a used  
4 vehicle currently registered in this state, if any license fee due  
5 thereon has already been paid, no adjustment of the current year  
6 license fee shall be made.

7 (b) Any adjustment of vehicle license fees, based upon a  
8 redetermination of market value pursuant to subdivision (a) of  
9 Section 10753 and modification of vehicle license fee  
10 classification pursuant to Section ~~10753.1 or 10753.2~~, shall occur  
11 upon the expiration of current registration and shall be reflected in  
12 the fees due for the first renewal of registration following the sale  
13 or transfer of ownership of that used vehicle.

